

FISCAL YEAR 2007-08 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: **5KG/H39/University of South Carolina Sumter**

B. Statewide Mission: **The University of South Carolina Sumter, a regional campus of the University of South Carolina system, has as its mission to provide higher education and intellectual leadership for the Sumter area. At the heart of this mission is a teaching faculty of high quality dedicated to excellence in instruction, scholarship, public and professional service and creative endeavor which enrich the classroom experience. USC Sumter offers a varied curriculum rooted in the liberal arts and aimed at preparing students to continue their education in the university and throughout life. The University of South Carolina Sumter recruits students prepared to begin or planning to complete a baccalaureate level education. While USC Sumter does not offer remedial instruction, it is nonetheless able to admit most students who apply because of the close working relationship between students and faculty. Enrollment varies with community need, but is expected to remain near 1000 FTE students.**

The University of South Carolina Sumter was established to encourage higher education in Sumter and adjacent counties. It primarily serves students from Sumter, Lee, Clarendon, Williamsburg, and Kershaw counties. The design of the early institution incorporated a flexibility that has allowed changes in institutional capability with increasing educational demand of constituents.

The institution itself grants the Associate in Arts and Associate in Science degrees and provides for the completion of selected bachelor degrees on campus through cooperative agreements with other institutions. Graduate education is coordinated at USC Sumter through the University's Graduate Regional Studies program. USC Sumter also provides access to a wide variety of baccalaureate degree programs on other campuses by teaching some courses that must be taken by students in these programs. The mission includes other appropriate upper division coursework as well as non-credit courses, seminars, and workshops made available to the community for cultural enrichment and for professional development.

The traditions of cultural diversity and freedom of thought are valued at USC Sumter. In an atmosphere that develops respect for this diversity and an awareness of individual, societal, and global responsibilities, USC Sumter promotes courses, activities, and attitudes which favor the development of men and women who continue learning throughout life.

The university emphasizes the development of the whole person. The institution especially seeks to foster in students the disciplines essential to an educated citizenry. These include the ability to communicate through effective writing and articulate speech, as well as quantitative competence, creative and critical thinking, and the integration of knowledge. Classroom experiences, student activities, and physical education programs provide opportunities for cultural enrichment, leadership development, intellectual growth and interpersonal relationships contributing to a sense of self-reliance and self-esteem.

C. Summary Description of Strategic or Long-Term Goals:

1. **The University of South Carolina Sumter will strengthen its ability to offer a program of high quality learning experiences, through a continued commitment to a tradition of teaching excellence and co-curricular activities, for the completion of associate degrees, joint programs, cooperative bachelor degrees, Palmetto Programs, and eventually the campus's own bachelor degrees.**
2. **The University of South Carolina Sumter will enhance and expand its student recruitment and retention programs in order to increase headcount and FTE enrollments.**
3. **The University of South Carolina Sumter will support and encourage the scholarly pursuits of its faculty.**
4. **The University of South Carolina Sumter will support and encourage the pursuit of research and other types of grants from internal and external sources.**
5. **The University of South Carolina Sumter will continue to seek greater financial support from local and state governments, as well as private resources.**
6. **The University of South Carolina Sumter will continue to develop and improve its physical plant and related campus infrastructure as outlined in the campus master plan.**

USC Sumter's budgeting process closely links strategic planning with budgetary emphasis. The goals above are ranked in priority order and programmatic budgets are set accordingly. If progress to date on stated goals could be improved, USC Sumter makes every possible effort to redirect funds to those goals.

D.

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Conversion of non-recurring funds to recurring funds		\$51,269	0	0	\$51,269	0	0	0	0.00
Strategic Goal No. Referenced in Item Above (if applicable): 1-6 Activity Number & Name: 539 Instruction										
Priority No.: 2	Title: Support for the CHE request for Investment in Quality Outcomes.	0	\$161,688	0	0	\$161,688	0	0	0	0.00
Strategic Goal No. Referenced in Item Above (if applicable): 1-6 Activity Number & Name: 541 Academic Support 546 Institutional Support										
TOTAL OF ALL PRIORITIES		\$ 0	\$212,957	\$ 0	\$ 0	\$212,957	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:
 State \$ 3,983,056
 Federal\$ 1,551,475
 Other \$ 7,791,064

F. **Efficiency Measures:**
 USC Sumter utilizes several methods of student feedback in order to remain current with student needs and expectations so that excellent customer service continues. Some of these tools include surveys, course evaluations, graduation surveys and monthly “town hall” meetings.

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	Project Name: Instructional Laboratories Building Activity Number & Name: 543 Operations and Maintenance	Project No*:	\$11,825,000	0	0	\$11,825,000
Total of All Capital Budget Priorities:			\$11,825,000	\$ 0	\$ 0	\$11,825,000

* If applicable

H. Number of Proviso Changes: **None**

I. Signature/Agency Contacts/Telephone Numbers:

Richard W. Kelly
Vice President and Chief Financial Officer
(803) 777-7481

Leslie G. Brunelli
Budget Director
(803) 777-1967

II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **5KG/H39/University of South Carolina Sumter**

B. Priority No. 1 of 2

C. (1) Title: **Recurring Parity Funding**

(2) Summary Description: **In Fiscal Year 06-07, USC Sumter received a portion of “parity funding.” This appropriation came from non-recurring state funds. In order for parity among higher education institutions to be fully realized in the future, this funding should come from recurring sources.**

(3) Strategic Goal/Action Plan (*if applicable*): **Strategic Goals 1-6**

D. Budget Program Number and Name: **Agency-wide**

E. Agency Activity Number and Name: **539 Instruction**

F. Detailed Justification for Funding:

(1) Justification for Funding Increase: **In Fiscal Year 06-07, USC Sumter received a portion of “parity funding.” This appropriation came from non-recurring state funds. In order for parity among higher education institutions to be fully realized in the future, this funding should come from recurring sources.**

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0
Program/Case Services					\$ 0

Pass-Through Funds					\$ 0
Other Operating Expenses		51,269			\$51,269
Total		\$51,269	\$ 0	\$ 0	\$51,269
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **3,983,056**
Federal \$ **1,551,475**
Other \$ **7,791,064**

(4) Is this priority associated with a Capital Budget Priority? **No** If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State	56.40
Federal	1.46
Other	41.20

Agency-wide Vacant FTEs as of July 31, 2005: **14.56**

% Vacant **14.6982%**

H. Other Comments:

The University of South Carolina system experienced the lowest tuition increase in several years, due largely to the support of the General Assembly by funding of the parity issue. If funding of higher education is reduced, the University's Board of Trustees as well as the governing boards of other institutions will be forced to consider a tuition increase to support operations.

II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: **5KG/H39/University of South Carolina Sumter**
- B. Priority No. 2 of 2
- C. (1) Title: **Investment in Quality Outcomes**
(2) Summary Description: **The South Carolina Commission of Higher Education has requested \$45M to fund instruction for higher education.**
(3) Strategic Goal/Action Plan (*if applicable*): **Strategic Goal 1-6**
- D. Budget Program Number and Name: **Agency-wide**
- E. Agency Activity Number and Name: **541 Academic Support**
546 Institutional Support
- F. Detailed Justification for Funding:
- (1) Justification for Funding Increase: **Public higher educational institutions in South Carolina are under-funded by state appropriations according to the CHE MMR formula, and exist in an inequitable appropriations matrix that originated prior to the parity funding model. USC Sumter (and all public higher education institutions) will benefit by improved funding and funding vehicles.**

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0
Program/Case Services					\$ 0

Pass-Through Funds					\$ 0
Other Operating Expenses	0	161,688			\$161,688
Total	\$0	\$161,688	\$ 0	\$ 0	\$161,688
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **3,983,056**
Federal \$ **1,551,475**
Other \$ **7,791,064**

(4) Is this priority associated with a Capital Budget Priority? **No** If so, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(2) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State	56.40
Federal	1.46
Other	41.20

Agency-wide Vacant FTEs as of July 31, 2005: **14.56**

% Vacant **14.6982%**

H. Other Comments:

The University of South Carolina strongly supports the South Carolina Commission on Higher Education's number one priority of increased investment in quality outcomes for higher education by increasing the recurring operating funds by \$45 million for all institutions. As institutions strive to meet the demands of a technologically driven society, recurring funding for operations will assist institutions in meeting these challenges and keep tuition increases to a minimum.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **5KG/H39/University of South Carolina Sumter**
- B. Priority No. **1** of **1**
- C. Strategic Goal/Action Plan (*if applicable*):
(6) The University of South Carolina Sumter will continue to develop and improve its physical plant and related campus infrastructure as outlined in the campus master plan.
- D. Project Name and Number (*if applicable*): **Instructional Laboratories Building Construction**
- E. Agency Activity Number and Name: **543 Operations and Maintenance**
- F. Description of Priority:
This project is for the construction of a new 40,000 square foot building to house classrooms and laboratories for the Math, Science, and Engineering Division. The building will also include office space for division faculty. The proposed 40,000 square foot Instructional Laboratories Building will house all the laboratories necessary for the courses delivered primarily in Biology, Chemistry, and Physics as well as other courses which require laboratory space such as Marine Science and Engineering. The building also will house a new studio for art courses and contain lecture rooms, computer laboratories and faculty offices.
- G. Detailed Justification for Funding
 - (1) Justification for Funding Priority:
The existing facilities for the departments of Science, Math, and Engineering are inadequate to serve the current demands of our students. The Science Building, which is thirty-nine years old, was originally built for a student population of 500 students. Enrollment has more than doubled since 1966. The laboratories now must function as both classrooms and instructional labs. This makes it very difficult for faculty to properly prepare lab experiments, conduct laboratory exercises that require students to monitor and record data outside of scheduled hours, and to be able to deliver lectures in a safe and comfortable classroom environment. Today, with a headcount of over 1200 students, the dual function of these lab spaces creates even more of a scheduling problem. The five laboratories are too small to accommodate larger sections of students and since the same five rooms are used as classrooms, additional laboratory sections are often not possible. Proper clean up between labs and lectures becomes difficult to achieve and is becoming a major safety concern. There is also an equipment storage problem which results in fragile and often expensive equipment left exposed to theft and vandalism. At present, the art studio is located in the Student Union Building. The normal activities of a student union present the problem of noise

and distraction while art classes are in session. In addition, obnoxious odors from kilns, paints and other materials in the art studio detract from the operation of the food service vendors in the Student Union.

The current Science Building is one of the two oldest buildings on campus. It also has the lowest Building Quality Survey rating on campus. In order to renovate the building and replace the HVAC systems, meet OSHA requirements for clean air and safety, etc., it will be necessary to build a new facility. There is no place on or near campus to relocate the labs during a major renovation. Repairs and upgrades can only be made if the science building is vacated. This cannot be done before a new facility is available without a significant impact on the academic progress of our students and potential loss of revenue to the institution. This project was included in the 2006 CIP and was listed as priority number one.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$11,825,000	\$0	\$0	\$11,825,000

* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.

H. Justification for First Year Additional Future Annual Operating Costs:

Will additional annual operating costs be absorbed into your existing budget? **No**

If not, will additional state funds be needed in the future? **yes**

If state funds will not be needed in the future, explain the source(s) that will be used.

First Fiscal Year Additional Annual Operating Costs Are anticipated: **2008-09** Will this fiscal year require a partial or full year's operating funds? **Full** If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs		1			1.00
(b) Total Personnel Costs		25,000			\$25,000
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs		\$40,000			\$40,000
Total	\$ 0	\$ 65,000	\$ 0	\$0	\$65,000

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? **No**

If not, will additional state funds be needed in the future? **Yes**

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: **FY08-09**

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs		1			1
(b) Total Personnel Costs		\$25,000			\$25,000
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs		\$40,000			\$40,000
Total	\$ 0	\$65,000	\$ 0	\$ 0	\$65,000

J. Other Comments: None

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: **5KG/H39/UNIVERSITY OF SOUTH CAROLINA SUMTER**
- B. Agency Activity Number and Name:
- C. Explanation of Cost Savings Initiative: **For fiscal year 2007, the General Assembly took a significant step in funding higher education with the allocation of non-recurring funds to address parity issues as well as the funding provided for the recruitment of faculty at the research institutions. With these additional funds, the USC Board of Trustees held the FY2007 tuition increase to the lowest percentage increase in several years.**
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
Total	\$ 79,661	\$ 0	\$ 0	\$79,661

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
If the USC campuses are required to meet a “cost savings” of state appropriated funds in FY2008, a reduction in force plan will be developed and submitted to the South Carolina Office of Human Resources in compliance with regulations established by the

Budget and Control Board. The University’s Board of Trustees may consider other alternatives if a “cost savings” is implemented. The University of South Carolina system has met the challenges of increasing operating costs during a time of dwindling state funding by employing strategic cost savings and prioritization of activities.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 79,661	\$ 0	\$ 0	\$ 79,661	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: **5KG/H39/UNIVERSITY OF SOUTH CAROLINA SUMTER**
- B. Agency Activity Number and Name:
- C. Explanation of Lowest Priority Status: **It is a difficult, if not impossible task to identify the lowest priority activities of the University of South Carolina's campuses since each activity directly supports the mission of teaching, research and public service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institutions mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University.**

- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$0	\$ 0	\$ 0	\$0	\$ 0

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$ 0	\$0	\$ 0	\$ 0	\$0	\$0	0.00